

GENERAL SERVICES ADMINISTRATION

(34 CFR Part 237)

USE OF FEDERAL REAL PROPERTY BY
NON-FEDERAL ACTIVITIES

PROPOSED ASSIGNMENTS

This notice offers interested parties an opportunity to comment on a proposed regulation developed to provide better management of federally-controlled real property. The regulation proposes (1) to bring about greater consistency within individual agencies and among different agencies relative to the assignment of federally controlled real property to non-federal activities and (2) to provide policy guidelines for assessing fair charges for real property and related services furnished by the Government to non-Federal activities.

The proposed regulation is the product of an interagency task group. Its purpose is to establish executive branch policy pertaining to the assignment of federally controlled real property and the providing of related services to non-Federal activities.

Interested persons should submit their comments in triplicate to the General Services Administration (AMP), Washington, DC 20405. All relevant material should be received by December 15, 1975.

Dated: November ____, 1975

JOHN J. LORDAN
Acting Associate Administrator

This Federal Management Circular requires all Federal agencies to adopt standard administrative requirements for assigning federally controlled real property to non-Federal activities. Authority for issuance of the circular is provided under provisions of Executive Order 11717.

As proposed 34 CFR Part 237 will read as follows:

PART 237 - USE OF FEDERAL REAL PROPERTY BY NON-FEDERAL ACTIVITIES

- Sec.
237.1 Purpose.
237.2 Effective date.
237.3 Background.
237.4 Policy intent.
237.5 Applicability and scope.
237.6 Definitions.
237.7 Policies and procedures.
237.8 Annual report.
237.9 Responsibilities.
237.10 Appendices.
237.11 Inquiries.

AUTHORITY: Executive Order 11717.

237.1 Purpose.

This part establishes executive branch policy pertaining to the assignment of federally controlled real property and the providing of related services to non-Federal activities.

237.2 Effective date.

This part is effective January 1, 1976. Contracts existing as of the effective date which provide for the assignment of federally controlled real property or the providing of related services to non-Federal activities shall be amended to the extent feasible to comply with the policies contained herein. Contracts entered into after the effective date shall incorporate the policies contained in the part.

237.3 Background.

Many non-Federal activities currently occupy federally-controlled real property. The real property (generally building space) is occupied under a variety of terms and conditions. This part recognizes the need for achieving

greater consistency within the executive branch regarding policy and practices for assigning federally-controlled real property to non-Federal activities. The part is issued pursuant to Executive Order 11717 of May 9, 1973, which transferred certain functions from the Office of Management and Budget to the General Services Administration and pursuant to the Office of Management and Budget, Office of Federal Procurement Policy delegation letter of June 24, 1975, 40 F.R. 29935, July 16, 1975.

237.4 Policy intent.

The intent of the part is to bring about greater consistency within individual agencies and among different agencies relative to the assignment of federally-controlled real property to non-Federal activities. The part is also intended to provide policy guidelines for assessing fair charges for real property and related services furnished by the Government to non-Federal activities.

237.5 Applicability and scope.

The provisions of the part apply to all executive departments and independent establishments in the executive branch. They do not apply to: (a) the Government of the District of Columbia; (b) non-appropriated fund instrumentalities of the Armed Forces; (c) the Veterans' Canteen Service, Veterans' Administration; or (d) other non-appropriated fund activities for which there is specific statutory authority for the matters covered by this part. Except as indicated herein, the term "agency" is synonymous with the terms "department and establishment" as defined by Federal Management Circular 73-1, dated August 30, 1973. (34 CFR Part 200)

237.6 Definitions.

a. Non-Federal activity. Any individual, group, organization or association that is organized, operated or controlled by a private individual(s) or an individual(s) acting outside his official capacity as an officer, employee or agent of the Federal Government.

b. Assignment of real property. The granting to a non-Federal activity of the right to use real property and related services controlled by a Federal agency. This does not include the interim outleasing of excess real property

being held by an agency pending transfer or disposition pursuant to Federal Management Circular 73-5, Utilization, disposition and acquisition of Federal real property. (34 CFR Part 231.)

c. Federally-controlled real property. Land or buildings, including space within buildings and related services owned, leased or provided by the Government. Related services include but are not limited to heat, light, air conditioning, janitorial, telephone and security services.

237.7 Policies and procedures.

a. Assignment of federally controlled real property to non-Federal activities. Heads of agencies may assign real property under their control to non-Federal activities if the assignments contribute to the accomplishment of the agencies' missions and are consistent with the public interest. Assignments authorized by law shall be made pursuant to the applicable statutes. Where real property is assigned to non-Federal activities in the absence of particular statutory authority, the head of the agency making the assignment shall prepare a written statement setting forth all factors pertaining to the assignment. Such written determination shall be retained for appropriate review in agency files and shall include the basis for making the assignment and the terms and conditions governing the use of the property. Policies applicable to specific categories of non-Federal activities are provided in appendices A through C of this part.

ILLEGIB

b. Charges for use of federally controlled real property. Consistent with the policies contained in Office of Management and Budget Circular A-25, non-Federal activities assigned federally controlled real property shall to the maximum extent feasible be charged for such use of real property. Charges for real property controlled by the General Services Administration (GSA) shall be based on the standard level users charges developed by GSA pursuant to P.L. 92-313, Public Buildings Amendments of 1972 (See Federal Property Management Regulations Subpart 101-21.2). Charges for real property for which standard level user charges have not been established and for real property controlled by agencies other than GSA shall be based on the

estimated fair rental value of the assigned property as determined by standard real property appraisal practices. Agencies not having "in-house" capability for determining fair rental values may request GSA assistance by telephoning 202-343-7528.

ILLEGIB

c. Agency records. Agencies shall maintain current records on all real property that they have assigned to non-Federal activities. The records shall as a minimum, include the written statements and determinations required by paragraph a. above. The records shall also reflect the total annual rental income produced on an agency-wide basis by assignments to non-Federal activities.

d. Deposit of revenue. Unless otherwise provided by law, revenues collected from non-Federal activities for the use of federally controlled real property shall be deposited in miscellaneous receipts in the Treasury.

237.8 Annual report.

Each agency that assigns real property to non-Federal activities shall submit an annual report, original and one copy, as of the end of each fiscal year. The reports shall be submitted to the General Services Administration (AMP), Washington, D.C. 20405. The first report shall be for the period beginning January 1, 1976, and ending September 30, 1976, and shall be submitted by January 1, 1977. Succeeding years reports shall be submitted within 90 days after the end of each fiscal year. Interagency Reports Control Number _____ GSA-AM has been assigned to this report. Agency annual reports shall indicate the total amount and type of real property assigned on an agency-wide basis to activities providing services to employees (see Appendix A) and to other organizations (see Appendix B) and the total income derived therefrom. The total amount of real property assigned to activities covered in Appendices A and B and the total annual income received from each shall be provided separately for each appendix and itemized to show:

- (1) Square feet of office space _____
and annual income _____;
- (2) Square feet of storage space _____
and annual income _____;
- (3) Square feet of special space _____
and annual income _____;

(4) Square feet of land _____
and annual income _____.

(Definitions of office, storage and special space are provided in Subsection 101-17.003.2a of the Federal Property Management Regulations.)

Copies of all annual reports will be given to the Office of Management and Budget after review by GSA.

237.9 Responsibilities.

Heads of agencies are responsible for promulgating such regulations, controls, and review actions as are necessary to comply fully with the provisions of this part and the appendices.

237.10 Appendices.

Policies governing the assignment of real property to specific types of non-Federal activities and the assessment of charges for the use of such property are set forth in the following appendices:

Appendix A - Activities Providing Services to Employees.

Appendix B - Other Organizations.

Appendix C - Temporary Use.

237.11 Inquiries.

Further information concerning this part may be obtained by contacting:

General Services Administration (AMP)
Washington, DC 20405
Telephone: IDS 183-7528
FTS 202-343-7528

APPENDIX A

ACTIVITIES PROVIDING SERVICES TO EMPLOYEES

1. Policy intent. The intent of this appendix is to provide specific policies to be followed by Federal agencies in assigning real property to non-Federal activities that provide services to Federal employees.

2. Definition. The activities covered by this appendix include those performed or directed by any individual, association, or organization that require the use of Federal real property and have as their primary purpose the rendering of goods or services to Federal employees.

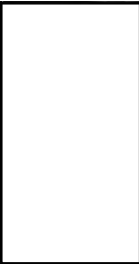
3. Policies and procedures.

a. Employee welfare and recreation associations. Federal agencies, as a rule, do not establish or administer welfare and recreational programs for their employees. However, they often lend encouragement to the voluntary efforts of employees who form associations for recreational and welfare purposes. This encouragement frequently takes the form of assigning Federal real property to the associations either on a temporary or long-term basis. Determinations regarding assignments to employee associations shall be made on a case-by-case basis by agency heads. Real property controlled by GSA will be assigned to the using agency. It is then up to the using agency to determine whether to assign any portion of the space to an employees' association. Determinations involving real property not controlled by GSA will be made by the head of the agency controlling the property. In making determinations regarding the use of real property by employee associations, heads of agencies shall consider: (1) the availability of the real property and the need to minimize non-essential assignments; (2) the purpose for which the employees association will use the property; and (3) the consistency of the association's mission with the mission of the agency and the association's overall contribution to the welfare and morale of the agency's work force.


(1) Charges. Charges for the use of real property assigned to employee associations shall be assessed in accordance with Section 237.7b of this part. However, such charges may be waived where an association's use of

real property does not interfere with the Government's use and does not result in the Government incurring additional expenses.

(2) Agency overview responsibilities. While welfare and recreation associations are independent entities and are not subject to supervision by agency management, agencies are responsible for assuring that those activities utilizing Federal real property comply with non-discrimination, conflict of interest, equal employment opportunity and other appropriate standards and criteria prescribed by the Civil Service Commission or other agencies.

ILLEGIB ✓

b. Credit unions. The Federal Credit Union Act (12 U.S.C. 1770) provides that duly organized and constituted credit unions may occupy federally controlled space if such space is available in the community or district where the credit union does business. The act states that an agency may in "its discretion allot space to such credit union if space is available, without charge for rent or services."

✓
c. Blind vending facilities. The Randolph-Sheppard Act, as amended, 20 U.S.C. 107 et. seq., provides that, whenever feasible, one or more vending facilities are to be established on Federal real property to the extent that such facilities will not adversely affect the interests of the United States. Under the provisions of the Randolph-Sheppard Act, blind vending facilities are to be given priority with respect to the use of Federal real property over all other vendors. Vending facilities are defined in the Act to include automatic vending machines, cafeterias, snack bars, cart service, shelters and counters. Blind vendors shall not be charged for Government space. Charges may be assessed, however, for utilities and other services provided by the assigning agency.

ILLEGIB ✓

d. Concessions. Federally controlled real property may be assigned on a concession basis for barber shops, retail stores, banks, cafeterias, child care centers and other commercial activities that provide services to Federal employees. Prior to making such assignments the head of the agency controlling the real property must determine that the service to be provided by the concession contributes to the welfare and morale of employees and that adequate

alternative facilities offering the same or similar services are not reasonably accessible to the employees. Concessionaires shall be required to pay fair rental value for the use of federally controlled real property. Concessions as used in this appendix are limited to activities providing services primarily to Federal employees convenient to the work site; this does not include concessions in national parks or other high visitor facilities that provide services primarily for the public.

✓ e. Labor organizations. Section 23, Executive Order 11491, as amended, Labor Management Relations in the Federal Service, provides that each agency shall issue appropriate policies with respect to the use of agency facilities by labor organizations. Accordingly, determinations as to occupancy or use of federally controlled real property by labor organizations and the terms and conditions relative thereto are governed by agency policies and are not subject to the provisions of this part. Agencies shall, however, maintain records of the space assigned to labor organizations as called for by Section 237.7c of this part. Space in GSA-controlled buildings will be assigned directly to agencies and subsequent assignments, if any, to labor organizations will be made by the respective agency head and not by GSA.

APPENDIX B

OTHER ORGANIZATIONS

ILLEGIB

1. Policy intent. In addition to organizations that provide services primarily to Federal employees, it is sometimes necessary and advantageous for an agency to assign real property to commercial firms or other organizations that provide services to the general public or to specific sectors thereof. The intent of this appendix is to prescribe policies pertaining to such assignments.

2. Policies and procedures. Federal agencies should not endeavor to assign real property to commercial and other organizations unless the assignment is in the Government's interest and is required to carry out an authorized program activity of the agency making the assignment.

3. Charges. When real property is assigned to commercial or other organizations, the organizations shall be required to pay for the property as provided for in Section 237.7b of this part unless specifically exempted by statute, this part or other regulations.

4. Specific organizations.

a. Veterans' service organizations. Pursuant to 38 U.S.C. 3402 the Administrator of Veterans Affairs may, in his discretion, furnish, if available, space and office facilities for the use of the American Red Cross and paid full time representatives of veterans' service organizations recognized by the Veterans Administration pursuant to its governing laws and regulations. Space provided to veteran service organizations will be without charge.

b. State and local governments. Federal real property that is not required for Federal programs and which cannot be disposed of, may be assigned to units of State or local governments. Such assignments shall be made at the discretion of the controlling agency and shall require the payment of fair charges. In determining the amount State and local governments shall be charged for the use of Federal real property, the controlling Federal agency shall take into

consideration any benefits which may accrue to the United States from such occupancy and appropriate adjustments may be made particularly where reciprocal agreements provide for Federal occupancy of State or local real property.

APPENDIX C

TEMPORARY USE

1. Policy intent. The intent of this appendix is to prescribe policy for the temporary use of Federal real property by non-Federal activities.

2. Definitions.

a. Temporary use. For purposes of this appendix, temporary use of Federal real property means use of the property for a period of 48 hours or less by a non-Federal activity during business or off duty hours either on a one time or intermittent basis.

b. Community service organizations. As used in this appendix community service organizations mean any non-profit group, organization or association that is organized and operated to serve the interest of the local community of which the Federal employee is a part. Examples of community service organizations include civic organizations, parent-teacher organizations, 4-H Clubs, scouting organizations, and community fund activities.

4. Temporary use by a non-Federal activity. Upon approval of the controlling agency, Federal real property such as conference rooms, hearing rooms, training rooms, auditoriums and cafeterias may be used by employees, community service, or similar type organizations for meetings or other purposes on a temporary basis. Generally, such use shall not be scheduled beyond normal building operating hours nor for Saturdays, Sundays, holidays or other times when the facility is normally closed, without appropriate reimbursement for services. Activities using Federal real property on a temporary basis shall pay the Government for costs (utilities, maintenance, protection, and other provided services) resulting from the activities' use of the property.

5. National voluntary action programs. Consistent with Executive Order 11470 real property may be used by volunteer organizations for meetings, training programs and similar purposes, when it will not interfere with the intended use of the facilities. Costs of utilities and other services provided by the Government should, to the maximum extent possible, be recovered.

10 January 1978

MEMORANDUM FOR THE RECORD

SUBJECT: Agency Briefing on GSI Status for 1978

1. On 5 January 1978, a meeting was convened in Room 5651 of the GSA Regional Office Building from 1000 to 1145 hours. Mr. J. F. Galuardi, Regional Administrator, GSA conducted the meeting which was attended by numerous representatives of government agencies serviced by GSI, including the undersigned representing the CIA.

2. Mr. Galuardi made some opening remarks explaining the purpose of the meeting and the agenda outline which was distributed to all participants (Attachment 1). He then introduced Mr. T. M. Hughes who briefly presented some proposed price increases and related matters. Specifically, a new price range averaging 5 percent is intended for some entrees, sandwiches, and vegetables. Secondly, in response to patron suggestions GSI will increase the portion size and establish a higher selling price for certain items. Finally, changes in menu format would reduce selection to one steam-table entree and three or four salads in full service cafeterias. Subject to GSA approval, the effective starting date of these proposals would be 23 January and additional income per year of \$1,000,000 is expected to be realized.

3. Mr. T. C. Leininger spoke next on the subject of service reductions by GSI. At this time there are three cafeterias which are being considered for closing due to losses. They are as yet unnamed and will be discussed at a later date with those agencies occupying the buildings in which the cafeterias operate. It was further proposed that the following reductions in service be implemented:

- a. Department of Energy (ERDA) - Close line A and adjust the menu selection by offering 1 entree and making other changes.

SUBJECT: Agency Briefing on GSI Status for 1978

b. Geological Survey - Minor equipment changes and adjusted menu selection similar to ERDA.

c. CIA - Discontinue the night and Saturday meals which have historically been unprofitable. Also, increase by fifty cents the buffet price in the Rendezvous Room.

d. The modified fast-food prototype was begun on 3 January. Definitive results should be forthcoming within a few weeks.

The total savings expected from these combined service reductions and menu changes would be \$360,200 per year. Mr. Leininger next suggested three ways in which the individual agencies could collectively assist GSI in minimizing losses and increasing patronage. The first proposal was to eliminate all carry-out service in order to reduce losses of trays, dishes, and silverware. The second was to enforce a one-half hour lunchbreak for all employees and encourage their use of the building cafeterias instead of patronizing external establishments. The third proposal was to adjust the cafeteria hours to reduce periods of low patronage.

4. A considerable number of agency representatives reacted strongly to these three proposals and directed their comments and questions to the GSI personnel. Of particular interest was the loss of GSI utensils. The Department of Labor representative recommended that GSI assume full ownership responsibility in controlling these items by prohibiting their removal from the cafeteria premises. As an example it was related that the Pentagon cafeteria actually posted guards at the exits to enforce their policies. Another suggestion involved replacing the plastic trays with paper bags for some items. It was further stated that perhaps by identifying the individual units that are the worst offenders, some remedial action could be undertaken with the agency concerned. The president of GSI, Mr. M. T. Allen, explained in conclusion that historically the loss of utensils was viewed with a passive attitude by GSI, the building managers, and the various agency managements. Mr. Allen suggested that these attitudes should be reevaluated if it will help reduce GSI's losses.


5. The remainder of the meeting was turned over to Mr. Allen for the explanation of GSI's financial status. Handouts were distributed (Attachment 2) that illustrated several aspects of GSI's current position. Comparing page 2 to page 4 it was noted that although the employee head count and hours worked were held down, the food/labor ratio worsened. This was due mostly to increases in fringe labor costs such as Social Security deductions, unemployment taxes, pension costs, and hospitalization payments. GSI's losses in 1978 from additional expected costs were projected as follows:

| | |
|----------------------|----------------|
| Labor | \$880,000 |
| Food | 440,000 |
| Operational Supplies | 125,000 |
| Maintenance | 500,000 |
| 1% of Bottom Line | <u>200,000</u> |
| Total Losses | \$2,145,000 |

As a footnote it was mentioned that of the \$880,000 for labor, a portion totaling \$450,000 may be recovered by the elimination of the reserve labor pools for non-productive workers. Other information provided by Mr. Allen included an estimated 7 to 8 percent reduction in patronage for 1978, and the possibility of Space Utilization (SLUC) costs being incorporated into the price of foods being served by GSI.

6. In summary, Mr. Allen maintained that radical changes must be made during the next ten years. At present the situation is almost out of control. However, there is still sufficient time to deal with the existing problems, but cosmetic treatments won't solve them.

STATINTL


Logistics Services Division, OI.

AGENCY BRIEFING ON
GSI FINANCIAL STATUS FOR 1978

| | | |
|-----|----------------------|--|
| I | INTRODUCTION | J.F. GALUARDI REGIONAL ADMINISTRATOR |
| II | PRICE INCREASES | T.M. HUGHES CHIEF, CONCESSIONS BRANCH |
| III | REDUCTION OF SERVICE | T.C. LEININGER DIRECTOR, BUILDINGS OPERATION DIVISION |
| IV | GSI FINANCIAL STATUS | M.T. ALLEN GSI PRESIDENT |

PRICE INCREASE

1. New Price Range. *23 TAN.*
2. Increase portion size and establish new selling price for certain items.
3. Change menu format
 - a) Reduce one steamtable entree and three to four salads in full service cafeterias.

Additional Income per year ~~-----~~ \$1,000,000

REDUCTION OF SERVICE

CLOSE ----- THREE CAFETERIAS

3 Cafeterias are being considered for closing.

REDUCE SERVICE

Department of Energy (ERDA) - Close Line A and Adjust Menu Selection

Geological Survey - Minor Equipment Changes and Adjust Menu Selection

CIA - Discontinue Night and Saturday Meals. Increase Buffet Price by \$.50

STATINTL

☐ - Discuss prototype

TOTAL SAVING PER YEAR ----- \$360,200

| | |
|---|------------------|
| Labor Pool Reduction | \$450,000 |
| Net Saving From Reduction of Service | 360,200 |
| Price Increase | <u>1,000,000</u> |
| TOTAL | \$1,810,200 |

STAT

Approved For Release 2002/08/21 : CIA-RDP84-00688R000200120008-4

Next 4 Page(s) In Document Exempt

Approved For Release 2002/08/21 : CIA-RDP84-00688R000200120008-4

28 DEC 75

MEMORANDUM FOR: Deputy Director of Personnel

SUBJECT : Use of Federal Real Property by Non-Federal Activities

REFERENCES : (a) Ltr to CIA dtd 3 Nov 75 fm Acting Associate Administrator,
Office of Federal Management Policy, GSA; same subject

(b) MFR to DD/Pers dtd 10 Dec 75 fm C/RECD responding
to above correspondence

1. This office has reviewed referent memorandum together with attachments and offers the following comments.

2. The proposed Federal Management Circular which would require Federal agencies to adopt standard requirements for assigning federally controlled real property to non-Federal activities defines at paragraph 237.6a such activities to be:

Any individual, group, organization, or association that is organized, operated, or controlled by private individual(s) or an individual(s) acting outside his official capacity as an officer, employee, or agent of the Federal Government.

In explanation of this definition, Mr. Charles Clark, Chairman of the interagency committee which prepared the draft circular, has reportedly stated that the determining factor regarding a non-Federal activity is who pays the salaries of the individuals involved--the Government or a commercial or nonappropriated fund activity. This office is of the opinion that determination of whether an activity is Federal or not should be based upon function performed and/or use of space rather than source of salary of employees.


3. Real Estate and Construction Division (RECD), OL, has noted possible adverse impact upon certain activities within the Agency if the proposed policies are implemented by regulation. This review will not address each activity individually but will restrict comment to some of them for example purposes. RECD believes difficulty may arise regarding the gymnasium vis-a-vis the definition of a non-Federal activity as used in the circular. This office is of the opinion that the gymnasium is a Federal activity not merely because the person managing it is a staff employee but rather the facility is an inherent part of the operation of the Agency.

4. RECD has also expressed concern that the Employee Activity Association (EAA) and the Government Employees Health Association (GEHA) would be required to pay user charges. EAA is a nonstock, nonprofit corporation organized under the laws of Virginia. GEHA is organized as an association under the laws of the District of Columbia. It is noted that paragraph 237.7, Policies and Procedures of the proposed circular, details the assignment of, and the charges for, use of federally controlled real property. Furthermore, paragraph 3, appendix A to the circular, which concerns activities providing services to employees, addresses in detail the policies and procedures applicable to employee welfare and recreation associations. GEHA is a welfare association whereas EAA is both a welfare and recreation association. It is important to note that the policy to charge employee associations also provides in paragraph 3a(1) of appendix A waiver in certain circumstances. Specifically it states:

a. Charges - Charge for the use of real property assigned to employee associations shall be assessed in accordance with Section 237.7b of this part. However, such charges may be waived where an association's use of real property does not interfere with the Government's use and does not result in the Government incurring additional expenses.

5. While all space currently being utilized by the various activities is being paid for by the Agency in accordance with the Standard Level Users Charge, it is envisioned that a non-Federal activity users charge as now projected (in view of the critical space shortage throughout the Agency) could make certain employee-oriented activities prohibitively expensive to them. Moreover, space allocations to the Agency might be restricted by GSA until certain non-Federal activities were either put on paying basis or eliminated in order to gain space for conventional Agency operations.

6. It is urged that the proposed regulation be opposed for the reasons mentioned above. Further, that if such regulation is to be required, it is recommended that the actual determination of whether or not an activity is Federal or not should be made exclusively by the Agency.


Office of General Counsel

STATINTL

GENERAL SERVICES ADMINISTRATION

Approved Release 2002/08/21 : CIA-RDP84-0688R000200120008-4
Office of Federal Management Policy
Washington, DC 20405



FILE 75-2582

November 3, 1975

Dear Sir:

We would like to call your attention to the enclosed draft Federal Management Circular and to invite your comments and suggestions concerning it. We plan to publish the circular in the Federal Register for public review and comment within the next two weeks.

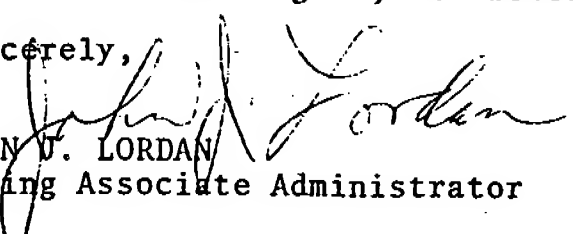
The draft circular was prepared by a task group composed of representatives from this agency, the Office of Management and Budget, and the Civil Service Commission. The group was formed in September of last year, largely in response to a GAO report (B-112840, March 18, 1974) which pointed out the lack of an effective government-wide policy on the assignment of federally controlled space to employee recreation and welfare associations. The GAO was also concerned about the inconsistency in agency practices of charging such groups for space and associated services.

In addition to employee associations, the proposed circular includes policies for assigning Federal real property to other types of non-Federal activities, such as concessionaires, community service groups, State and local governments, etc. The main body of the circular sets forth general policies and the attachments provide more detailed guidance for dealing with specific types of activities. Throughout the circular the task group tried to balance the need for a coherent government-wide approach with the equally important need for agency flexibility to respond to local requirements and circumstances.

In order to receive appropriate consideration before issuance of the final circular, your comments should be received by December 15, 1975. Comments should be addressed to:

Office of Federal Management Policy (AMP)
General Services Administration
Washington, DC 20405

Sincerely,


JOHN D. LORDAN
Acting Associate Administrator

Enclosure

Keep Freedom in Your Future With U.S. Savings Bonds

ACTIVITIES PROVIDING SERVICES TO EMPLOYEES

1. Policy intent. The intent of this appendix is to provide specific policies to be followed by Federal agencies in assigning real property to non-Federal activities that provide services to Federal employees.

2. Definition. The activities covered by this appendix include those performed or directed by any individual, association, or organization that require the use of Federal real property and have as their primary purpose the rendering of goods or services to Federal employees.

3. Policies and procedures.

a. Employee welfare and recreation associations.

Federal agencies, as a rule, do not establish or administer welfare and recreational programs for their employees. However, they often lend encouragement to the voluntary efforts of employees who form associations for recreational and welfare purposes. This encouragement frequently takes the form of assigning Federal real property to the associations either on a temporary or long-term basis. Determinations regarding assignments to employee associations shall be made on a case-by-case basis by agency heads. Real property controlled by GSA will be assigned to the using agency. It is then up to the using agency to determine whether to assign any portion of the space to an employees' association. Determinations involving real property not controlled by GSA will be made by the head of the agency controlling the property. In making determinations regarding the use of real property by employee associations, heads of agencies shall consider: (1) the availability of the real property and the need to minimize non-essential assignments; (2) the purpose for which the employees association will use the property; and (3) the consistency of the association's mission with the mission of the agency and the association's overall contribution to the welfare and morale of the agency's work force.

(1) Charges. Charges for the use of real property assigned to employee associations shall be assessed in accordance with Section 237.7b of this part. However, such charges may be waived where an association's use of

real property does not interfere with the use and does not result in the Government incurring additional expenses.

(2) Agency overview responsibilities. While welfare and recreation associations are independent entities and are not subject to supervision by agency management, agencies are responsible for assuring that those activities utilizing Federal real property comply with non-discrimination, conflict of interest, equal employment opportunity and other appropriate standards and criteria prescribed by the Civil Service Commission or other agencies.

b. Credit unions. The Federal Credit Union Act (12 U.S.C. 1770) provides that duly organized and constituted credit unions may occupy federally controlled space if such space is available in the community or district where the credit union does business. The act states that an agency may in "its discretion allot space to such credit union if space is available, without charge for rent or services."

c. Blind vending facilities. The Randolph-Sheppard Act, as amended, 20 U.S.C. 107 et. seq., provides that, whenever feasible, one or more vending facilities are to be established on Federal real property to the extent that such facilities will not adversely affect the interests of the United States. Under the provisions of the Randolph-Sheppard Act, blind vending facilities are to be given priority with respect to the use of Federal real property over all other vendors. Vending facilities are defined in the Act to include automatic vending machines, cafeterias, snack bars, cart service, shelters and counters. Blind vendors shall not be charged for Government space. Charges may be assessed, however, for utilities and other services provided by the assigning agency.

d. Concessions. Federally controlled real property may be assigned on a concession basis for barber shops, retail stores, banks, cafeterias, child care centers and other commercial activities that provide services to Federal employees. Prior to making such assignments the head of the agency controlling the real property must determine that the service to be provided by the concession contributes to the welfare and morale of employees and that adequate

alternative facilities offering the same or similar services are not reasonably accessible to the employees. Concessionaires shall be required to pay fair rental value for the use of federally controlled real property. Concessions as used in this appendix are limited to activities providing services primarily to Federal employees convenient to the work site; this does not include concessions in national parks or other high visitor facilities that provide services primarily for the public.

✓ e. Labor organizations. Section 23, Executive Order 11491, as amended, Labor Management Relations in the Federal Service, provides that each agency shall issue appropriate policies with respect to the use of agency facilities by labor organizations. Accordingly, determinations as to occupancy or use of federally controlled real property by labor organizations and the terms and conditions relative thereto are governed by agency policies and are not subject to the provisions of this part. Agencies shall, however, maintain records of the space assigned to labor organizations as called for by Section 237.7c of this part. Space in GSA-controlled buildings will be assigned directly to agencies and subsequent assignments, if any, to labor organizations will be made by the respective agency head and not by GSA.